MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2016/2017

BSM3104- STRATEGIC MANAGEMENT

(All Sections / Groups)

17th October 2016
9.00 am-11.00am
(2 Hours)

INSTRUCTIONS TO STUDENTS:

1. This question paper consists of **TWO (2) SECTIONS** and **3** pages (inclusive of the cover page).

2. **SECTION A** contains case study (worth 40 marks). **Answer ALL questions.**

3. **SECTION B** contains THREE (3) essay questions. **Answer ALL questions** (worth 60 marks). Write your answers in the *Answer Booklet* provided.

SECTION A-CASE STUDY (40 MARKS)

Answer ALL Questions

Singapore Airlines

Singapore Airlines Limited (SIA) is the 5-star airline of Singapore. Singapore Airlines operates trans-pacific flights, including the world's longest non-stop commercial flights from Singapore to Los Angeles and Newark on the Airbus A340-500.In late 2013, the company ceased offering those two flights although Los Angles is still served via Tokyo-Narita. The luxury airline has a strong presence in Asia. A member of star alliance, Singapore Airlines carried around 18 million passengers in 2012, up from 16.9 million in 2011.

Singapore Airlines is very well managed strategically. The company has diversified airline-related business, such as aircraft handling and engineering, and owns Silk Air that manages regional flights to secondary cities with smaller capacity requirements. Singapore Airlines operates passenger services to more than 60 cities in over 30 countries around the world. Within Asia, passengers can connect to over 30 cities served by Silk Air. The company is the official sponsor of Singapore national football team and has been marketing Singapore girl as central image to the airlines brand. Fortune in 2013 ranked Singapore Airlines as the 31st most admired company in the world outside the United States. In December 2012, Singapore Airlines sold its 49 percent stake in Virgin Atlantic for US$360 million.

In April 2012, Singapore Airlines phased out the 747 from its fleet after 40 years of service. A final round-trip commemorative flight was operated from Singapore to Hong Kong. In December 2012, Singapore Airlines began using the A380 to San Francisco via Hong Kong as a winter seasonal service, but still uses a 777-300ER for the remainder of the year. In May 2013, Singapore Airlines made a commitment to order 30 Boeing 787-10X to be delivered in 2018-2019 timeframe. In September 2013, Singapore Airlines began using the Airbus A380 on selected flights to and from Shanghai, China.

Singapore Airlines' passenger carriage (measured in revenue passenger kilometres) grew 8.6 percent in August 2013 year-on-year along with a 3.1 percent increase in capacity(measured in available seat kilometres).The company's passenger load factor(PLF) improved by 4.1 percentage points to 82.4 percent as the number of passengers carried in August 2013 increased by 11.7 percent to 1.7 million. Load factors improved across all regions, bolstered by strong leisure travel demand during the Lebaran/Hari Raya holidays, coupled with returning summer traffic. Traffic to West Asia and Africa also saw improvements. Silk Air's system wide passenger carriage in August 2013 increased 10.3 percent year-on-year along with a 13.4 percent growth in capacity. For that month, Silk Air PLF was a 1.8 percentage points lower at 71.7 percent. Singapore Airlines' cargo traffic (measured in freight-tonne-kilometres) was 5.7 percent lower in August 2013 year-on-year, while cargo capacity was reduced by 5.0 percent.

Source: Strategic Management- Concepts and Cases by Fred R.David, 2015, 15th edition Pearson,pg-58.

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From the case study answer the following:

Question 1

a) Singapore Airlines has done very well in 2013. Briefly discuss whether this strategy will be continuously effective in the future. (15 marks)

b) Should Singapore Airlines have its strategic plan posted on its website? Why or why not? (10 marks)

c) What are the strengths of Singapore Airlines? (15 marks)

[40 marks]

SECTION B (60 MARKS): Answer ALL questions.
Write your answers in the *answer booklet* provided.

Question 1

a) Define a mission statement? List out and explain ALL the major components of an effective mission statement. (10 marks)

b) Discuss in detail any five (5) advantages of international operations. (10 marks)

[20 marks]

Question 2

a) According to Michael Porter, the nature of competitiveness in a given industry can be viewed as a composite of five (5) forces. Explain the five (5) competitive forces. (10 marks)

b) Compare and contrast restructuring and reengineering. (10 marks)

[20 marks]

Question 3

a) Give any five (5) reasons why firms should be green. (10 marks)

b) Explain the internal factor evaluation matrix with an example. (10 marks)

[20 marks]

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